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Programme
Alimentaire
Mondial

World
Food
Programme

Programa
Mundial
de Alimentos

Executive Board
Resumed Second Regular Session

Rome, 26 May 1997

COUNTRY STRATEGY OUTLINES

Agenda item 3



Distribution: GENERAL
WFP/EB.2R/97/3/Add.4
3 April 1997
ORIGINAL: ENGLISH

HONDURAS - CSO

ABSTRACT

Honduras, among the poorest countries in Latin America, faces significant development constraints in spite of the implementation of major structural adjustment programmes over the last 10 years. Given the lack of success of these policies to reactivate in the short term the economy in general and the agricultural sector in particular, the achievement of adequate food security will be a major accomplishment. Poverty is the most direct cause of food insecurity in Honduras, where the annual per capita gross domestic product (GDP) was 589 dollars in 1995. Malnutrition is widespread in rural areas, as 56 percent of households cannot obtain a minimum diet. Low birth weight reaches 10 percent. Chronic malnutrition affects 39 percent of children under five. The rate of malnutrition in schoolchildren between six and nine years old is 39 percent. Malnutrition affects 21 percent of mothers. Moreover, 1.6 million adults, mostly in rural areas, are illiterate. WFP assistance to Honduras started in 1964. By December 1995, 43 projects had been implemented, at an approximate cost of 112.8 million dollars. Development activities received 79 percent of resources (21 projects, including six quick-action projects), while the remaining 21 percent went to support emergency activities. These emergency operations consisted mainly of hurricane relief and assistance to refugees. Project implementation has shown significant results in improvement of the nutritional status of vulnerable groups (women and children under five), increased access to rural health centres, generation of employment opportunities for women, reforestation and forest protection activities, and the creation of basic rural infrastructure. Weaknesses in project execution capacity have delayed achievements.

UNDP is conducting a Common Country Assessment exercise in cooperation with other United Nations agencies. This process should lead to the formulation of a Country Strategy Note (CSN) for Honduras in 1998. WFP will focus its future activities on achieving a reduction in food insecurity of poor households in selected areas. This approach is in line with government efforts. Targeting food aid to the most vulnerable groups will result in greater efficiency in the use of resources. Utilizing gender analysis and planning approaches with adequate monitoring tools will reduce the gap in the control and use of resources between women and men. Coordination with other United Nations, bilateral agencies, and NGOs, will reduce implementing costs. Support to the Government's capacity-building process and strengthening the role of local communities and participatory approaches will lead to a greater sustainability of results achieved. Total food needs for the planning period 1998-2002 have been estimated at 30.9 million dollars. Of this amount, 9.5 million dollars would be available as core resources from WFP. The balance of 21.4 million dollars will be programmed, but this may have to be adjusted depending on availability of resources to WFP and in the light of priorities in allocating resources to least developed (LDC) and low-income, food-deficit (LIFDC) countries, as recommended by the Executive Board. Honduras is currently an LIFDC. Donor interest in the activities of the WFP/Honduras programme will be an important factor in the successful execution of activities.

NOTE TO THE EXECUTIVE BOARD

This document is submitted for consideration to the Executive Board.

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session of 1996, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

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INTRODUCTION

1. Honduras ranks among the less developed countries of Latin America and the Caribbean. In terms of per capita income (589 dollars,¹ 1995), it is one of the poorest countries in the region (UNDP Human Development Report, 1996). This is the result of a combination of factors, such as weak economic development that relies on a few export commodities, high population growth, and unequal distribution of income and productive resources. The country is experiencing serious difficulty in accelerating economic and social development. The main reasons for this include the high incidence of poverty, the enormous burden imposed by foreign debt, and the low levels of productivity and diversification in the agricultural sector.
2. Poverty and food insecurity are structural problems in Honduras. They are even more acute in rural areas (56 percent of the population), where the majority of households do not have the necessary resources to produce or obtain their daily food requirements, and have limited access to basic services such as health, education, water and sanitation.

FOOD INSECURITY AND THE HUNGRY POOR

Lack of national food security

3. Honduras is a low-income country facing serious food insecurity. Services for the poor are either lacking or difficult to access. The lack of food availability and food security in rural households (particularly for small subsistence farmers) is high and comes from deficiencies in productivity. These, in turn, are the result of limited access to technology and productive resources (such as credit and inputs) and growing environmental degradation. Post-harvest losses are between 15 and 20 percent and result from insufficient storage facilities. Poor access to markets aggravates food insecurity.
4. In general, food supply has not been sufficient to cover adequately the recommended daily intake of 2,300 calories per person. Although some improvement has been achieved over the low levels registered in the eighties (1,623 calories), caloric intake still only reaches 82 percent of the recommended level. With the exception of maize, the per capita availability of food increased in the period between 1980-84 and 1990-95, reflecting higher production and imports. Increased agroindustrial production has gone to exports, rather than to food access or an improved diet for the poor.
5. The composition of the average diet lacks variety and is deficient in animal proteins. Basic grains (maize, beans and rice) provide 42 percent of calories (30 percent of which come from maize), while meat and dairy products provide only six percent. The most drastic change in diet has been the move from corn "tortillas" to wheat bread, especially in urban areas. This has led to an apparent drop in maize consumption of 12 kilograms and an increase in wheat consumption of five kilograms per capita per year.
6. Among the main staples, beans have been the only one to show real growth for the period 1990 to 1995, with an annual growth rate of 5.8 percent. This rise was due more to

¹ All monetary values are expressed in United States dollars, unless otherwise stated. One United States dollar equaled 12,500 lempiras in March 1997.



the opening up of markets than to internal demand. Maize production increased at a slightly lower rate than population growth, while the great variability in rice production seems to indicate the lack of a comparative advantage in growing this crop. As a result, dependence on exports has risen significantly and accounts for about 50 percent of the internal supply of basic grains.

7. The vulnerability of households without access to a minimum diet increases during lean periods between harvests or in the event of crop failure. At these times, the role of targeted food aid interventions becomes much more crucial. Transitory food security problems, arising from emergencies due to natural disasters, are infrequent and are usually located on the north coast (tropical storms, hurricanes) and in the south of the country (drought). Since 1990, only one official emergency has been declared, although considerable tracts of agricultural land and rural communities along the coast and the major rivers periodically become flooded and sustain severe damage.

Population affected by poverty and with inadequate access to food

8. From 1991 to 1994, there was a reversal in the trend towards increasing poverty observed in Honduras in the eighties. Between 1991 and 1994, the incidence of poverty fell from 75 to 67 percent. In this period relative prices and employment in the farming sector increased, so that the percentage of income needed to cover the food basket dropped from 76 to 66 percent.
9. In spite of this, in 1994 47 percent of households (431,000) faced severe economic hardship and 20 percent, comprising over 1.1 million persons, faced extreme poverty. Sixty-five percent of households headed by women (24 percent of the total) are poor. In 1993, only 30 percent of women were part of the total economically active population. There are significant wage differences: women's wages average only 76 percent of those earned by men, and the average minimum wage for agricultural workers is only 79 percent of the national average.
10. Measures taken to reduce the negative effect of economic adjustment have led to greater investments in basic services and infrastructure. However, rural populations have proportionately benefited less than the urban sector and there has been an urban bias in social investments. Although significant achievements have been attained, compared to the magnitude of the problem, these have been limited and are not yet reflected in the nutritional status of households, in improved diets or greater food utilization. Thus, low birth weight remains stable (around 10 percent), chronic malnutrition (zero to five years of age) has remained almost unvaried at 39 percent since 1987, and from 1991 to 1995 malnutrition in schoolchildren between six and nine years of age increased from 35 to 39 percent. Malnutrition affects 21 percent of mothers for whom the mortality rate, associated in 83 percent of cases with maternity, remains high.
11. Adult illiteracy decreased, but at a lower rate than population growth, so that the number of adult illiterates rose from 1.4 to 1.6 million, concentrated mostly in rural areas. "Functional illiteracy" (loss of reading and writing skills because of lack of practice) is more widespread among women than among men.
12. While in recent years the enrolment of children has reached almost 90 percent, 64 percent of adult women and 52 percent of men have not received any formal education. Drop-out and repetition rates are still high; girls' attendance is more irregular than that of boys.



Location of poverty and target population

13. Out of the total number of destitute households, 53 percent (226,000) are concentrated in rural areas. Average rural income (only 42 percent of urban income in 1993) and low calorie intake (76 percent of recommended minimum requirement) are reflected in high levels of family food insecurity and average malnutrition rates of 45 percent in children under five in rural areas.
14. The most depressed areas with the highest concentration of poverty are to be found in municipalities in the eastern and southern regions of the country, Intibucá, Lempira, Valle, Choluteca, Olancho, La Paz, El Paraíso, Copán, Ocotepeque, northern Colón, and southern Santa-Bárbara and Francisco Morazán (Poverty Map, Honduran Fund for Social Investment (FHIS) 1993). These municipalities have high concentrations of small holdings where food production for self-consumption is consistently below subsistence level. Rural employment opportunities are limited and poorly paid. Malnutrition levels of more than 65 percent are particularly acute in 28 municipalities in Intibucá, Lempira, La Paz, Copán, Ocotepeque, Santa Bárbara and El Paraíso.
15. The population most at risk from food insecurity are the families of small rural producers, particularly women heads of household, expectant and nursing mothers, and children under five. The daily per capita income of farmers with holdings of less than three hectares is estimated at about 14 dollars, less than that of landless workers. These earnings are supplemented by temporary work and small trading activities carried out mainly by women. Peasant households headed by women (approximately 20 percent) have higher than average rates of poverty, according to a 1993 IFAD report.
16. Seasonal out-migration to look for remunerated work is a common response to food insecurity. The burden on women during the most acute food shortage periods increases because they are left to care for their children while their husbands are looking for other economic opportunities. This temporary migration creates a disruption within households.

Food aid needs

17. The need for food aid is critical for those households in rural areas which face cyclical and conditions of chronic food deficit. With an average of 6.4 members, these families have low food production and productivity levels because of the poor quality of soils, limited rainfall and lack of technical assistance. They frequently sell a portion of their crop at harvest time in order to meet other basic needs such as clothing, tools, school items or medicines. During years of poor rainfall, the harvest of basic grains (maize and beans) is often not sufficient to provide for the family throughout the entire year. In years of crop failure, these families are forced to purchase basic foods at volatile prices, thus suffering acute food insecurity. In these conditions, food aid has a considerable comparative advantage, as it represents a real income transfer and ensures the availability of a minimum diet to the poorest.
18. Thus, a main element of the Government's strategy for improving household food security is to enhance the nutritional status and quality of life of the most vulnerable groups (children under five, expectant and nursing mothers, and women heads of household) at critical times of their lives by means of targeted food aid interventions. By limiting food distribution within a well defined time frame, dependency concerns are minimized and participants are motivated to take advantage of project opportunities. By focusing food assistance on the most vulnerable groups, the impact on improving household food security is maximized.



19. In addition, food-for-work activities improve the productivity of agriculture and access to services through soil stabilization, water retention, improvement of soil fertility and the construction of infrastructure such as roads, schools, community facilities, health centres, etc. Food for work facilitates the self-targeting of resources. The most needy groups are those who accept working for a daily food ration, which normally represents 80 percent of the minimum daily wage.

GOVERNMENT PRIORITIES AND POLICIES ADDRESSING POVERTY AND FOOD INSECURITY

Strategy and policies

20. The main objectives of the Government's policy are equal and sustainable economic growth, modernization of the State, participatory social development, and food security. Macroeconomic policy has concentrated on fiscal, monetary and currency exchange considerations, and on creating a favourable development environment for the agricultural sector based on the elimination of subsidies and opening up of markets.
21. Agricultural policy strives to set up the basis for sustainable rural and agricultural development, and improve food security through: a) free trade in agriculture and livestock (price bands are applied for basic grains); b) improving access to and security of land ownership for small producers, both men and women; and c) increasing agricultural production and productivity by use of technological innovations, investment in irrigation, and increased access to investment resources.
22. These policies have not yet been fully applied. Government intervention in the basic grain market continues, and ways of improving technology transfer services have made no significant advances. Not only are programmes for improving and regulating land ownership and access to financing delayed, but smallholders actually appear to have less access to credit resources.
23. Forestry policy seeks to increase the sustainable use of natural resources and generate employment in rural areas by: a) stabilizing ownership and increasing cost-effectiveness in the forestry sector; b) improving management of forestry resources and river basins; and c) helping improve organization among forestry smallholdings. Government agencies dealing with the forestry sector, such as the Honduran Forestry Development Corporation (COHDEFOR), are incorporating participatory approaches and gender analysis in project implementation.
24. The Municipalities Law (1990) is central to the municipal decentralization programme and the process for modernizing the State. This law defines the scope of municipal autonomy, assigns responsibilities and transfers resources for the economic and social development of communities. The municipalities face restrictions in the execution of their new responsibilities because of their limited management capacity.
25. Priority is being given in all sectors to gender equity issues. The Governmental Office for Women (through the National Commission for Women) is responsible for coordinating effective incorporation of a gender perspective into public sector and NGO development activities. The action programmes seek ways of guaranteeing equality of opportunity and encouraging the active participation of women in the decision-making process. For instance, until 1990 there was discrimination against women in land ownership and access



to credit resources. Although appropriate legislation has been approved to deal with these problems, the implementation of these measures has been slow, especially in isolated areas and in places where community organization lags behind.

26. Emergencies occurring in the country are dealt with by the Permanent Contingency Commission (COPECO, set up in 1990), which operates through 11 Regional Development Committees (CODER). COPECO's activities include coordination, and management and administration of emergency aid. However, recent experience has shown that measures need to be taken to reinforce the response, coordination and management capacity of this structure to deal with emergencies.

Programmes and projects

27. Food security policies and strategies of the Government of Honduras are reflected in the Food and Nutrition Security Plan. Specific activities include compensation and social assistance programmes which aim to compensate the medium-term negative side effects of economic reform adjustment through income transfers in cash and food, and by generating employment for the most vulnerable groups. The main programmes are being executed by the FHIS, the Family Allowance Programme (PRAF) and School Feeding Programmes.
28. Since 1990, FHIS has implemented investments for approximately 130 million dollars. Although activities have generally been accomplished satisfactorily, weaknesses have been observed in targeting, community participation, and coordination with other funding entities and line ministries.
29. Between 1990 and 1995, subsidies totalling 44.5 million dollars were transferred through three PRAFs using coupons payable to the bearer. The school coupon component covered 4,055 schools in 213 municipalities and benefited children from homes with monthly incomes of under 36 dollars. The coupon for mother and child component covers 278 health centres, and benefits expectant and nursing mothers and children under five who go for health controls. Other PRAF activities include: the senior coupon programme which has been established only recently and is mainly for older people in ethnic groups; and the occupational training programme (PFO), which is intended to help reduce dependency on the coupons by providing training and opening up access to resources for groups of women interested in starting productive activities. The main problems for PRAF are the risk of dependency, and reduced transfer possibility for beneficiaries because of loss of coupon value (inflation) and widening of coverage (more beneficiaries with fewer coupons).
30. School breakfast and lunch programme. The programme, under the responsibility of the Ministry of Education, was supported mainly by CARE, and benefited 300,000 children throughout the country before it ended in 1995. The termination of the programme reflects a change in CARE's programming. It also reflects doubts raised after evaluating the cost-effectiveness and educational impact of the cash coupons as compared to school meals. A one-year pilot phase (school feeding projects - PRODESE) was started in its place, in two departments benefiting 25,000 schoolchildren in 319 schools (1996). The European Union continues its support to 130,000 children in 2,460 schools. In the medium term, the Ministry of Education plans to transfer the programme to the municipalities and undertake a decentralization process.
31. The most important activities which benefit small producers directly are rural development programmes. These include innovative features in their management, such as:
- a) collaboration between NGOs and beneficiaries in order to carry out and manage the projects as in a rural development project, e.g., Rural Development Plans for the Western



Region - PLANDERO, funded by the Government through an IFAD loan; b) conservation of natural resources and income generation, funded by USAID; c) training of craftsmen and small producers in the construction of silos and in post-harvest management, with funds and technical assistance from the Swiss Cooperation (COSUDE); and d) training programmes for agricultural production, soil conservation and local food purchases, in cooperation with the Food Security Programme of the German Government.

Food aid programmes

32. The main activities supported with food aid are those implemented by the United States "Food for Peace" Programme and WFP-assisted projects. Food aid from the United States is channelled through PL-480, Titles II and III. Title II, implemented by CARE, provides food through three projects in western Honduras: a) Household Health Management Assistance (HOGASA) deals with rural health centres which also provide food for expectant and nursing mothers and malnourished children under two years of age; b) Employment Opportunities and Rural Development (PODER), which constructs and improves roads and municipal markets, also distributes food for work in times of shortage; c) Food Security Project (EXTENSA) provides training for farmers to encourage diversification of production, and training on nutrition and basic health to young women. Aid given through Section III provides wheat which is monetized to generate counterpart resources for other activities. WFP activities are analysed in depth in the next section.
33. The design of new food aid activities should carefully assess results and recent analyses which show significant concentrations of aid (and possible duplication of beneficiaries as well as over-emphasis on specific areas) in Lempira, Intibucá and La Paz. Measures should be taken to decentralize management and control of activities by enhancing the participation of beneficiaries, NGOs, communities and municipalities in the process.

ASSESSMENT OF WFP'S PERFORMANCE TO DATE

34. WFP's activities in Honduras started in 1964. By December 1995, 43 projects had been implemented with an approximate total cost to WFP of 112.8 million dollars. Development activities received 79 percent of resources (21 projects, including six quick-action projects), while the remaining 21 percent was used for emergency activities (22 projects), mainly for hurricane and flood relief, and for refugee assistance.
35. Until 1979, emergency activities accounted for only 2.5 percent of all WFP aid. This figure increased dramatically for the period 1985 to 1989, when it reached 58 percent of the total, mainly for the feeding of refugees from Guatemala, Nicaragua and El Salvador. Since 1990, all resources approved have been for development activities.

Ongoing projects

36. The period analysed (1990-95) included four projects (42.1 million dollars), equivalent to 37 percent of total WFP assistance since 1964. Three of these projects are still ongoing.
37. During this period, implementation of WFP activities was affected by the reform and economic adjustment programme (started in 1990) and by a change in government (1994). This resulted in: a) lack of institutional definition and implementation responsibility vacuums because of the slow process of reform compared to the rapidity with which policy decisions were being taken; and b) changes in policy orientation, authorities and key



personnel in the public sector. These factors, combined with fiscal and other problems, such as drought and an energy crisis in 1994, contributed to a slow rate of implementation of the WFP programme.

Development of agriculture, forestry and basic infrastructure (Honduras 3926)

38. This food-for-work project, with a total cost of 39.2 million dollars (20.2 million dollars from WFP and 19 million dollars from the Government), seeks to limit the degradation of natural resources, rehabilitate and build basic infrastructure, and increase employment in the target population. To date, it has financed 11 million work days (61 percent of the target) for 226,063 beneficiaries (70 percent of the target), and distributed 31,244 tons of food (57 percent of the original target, or 83 percent of actual food received by the project). The remaining food will be used for ongoing activities. Honduras 5609 was designed to continue various successful components of project No. 3926.
39. The following stand out among the project's achievements: a) adult education programme (50,000 beneficiaries, 1996), implemented in coordination with the Ministry of Education and USAID; b) activities in improving and constructing infrastructure for improved access; and c) reforestation and forest protection activities (1.3 million hectares). Evaluations indicate significant benefits in terms of income, adult education activities, reduction in post-harvest losses (access infrastructure for isolated communities), and generation of employment opportunities for women.
40. The main difficulties encountered arose from problems related to project design and implementation, government executing entities' weakness and inability to detect problems and take timely corrective measures, and coordination (12 executing agencies). Problem areas in the project include the slow progress made in soil and water conservation (13 percent of the target), and the lack of effective emergency measures taken during tropical storm Gert in 1994 and the drought of the same year. This resulted from the restructuring of the Ministry of Natural Resources (privatization of technical assistance) and the Government's weakness in responding to emergencies. Another constraint has been the lack of disaggregated data in order to monitor beneficiaries' participation and project benefits by gender. Special efforts are planned for carrying out with counterparts an analysis of the project's positive impact for women and men.

Health and nutritional assistance for vulnerable groups and promotion of productive activities (Honduras 2523 (Exp.1))

41. The project has a total cost of 16.7 million dollars (9.74 million dollars from WFP and seven million dollars from the Government). Of the WFP contribution, 22,200 tons of commodities were for direct distribution and 5,000 tons (wheat) for monetization. The main objective of the project is to increase the frequency of visits of vulnerable groups (especially women of child-bearing age and infants) to primary health and nutrition centres in the poorest communities. This is to be achieved through the distribution of family rations as an incentive for attendance. The project also has resources for nutrition and health training, and for encouraging the attendance of pre-school children at day-care centres. The monetization resources are used to support community and household development activities as well as productive activities (training and credit) with specific emphasis on women.
42. The project has benefited 32,800 women and children in health centres (87 percent of the target) and 4,943 pre-school children (81 percent of the target). The frequency with which beneficiaries attend health centres has increased significantly. NGOs such as Centre for



Studies and Development (CEPROD) and Sharing with Street Children (COMPARTIR), which assist pre-school children, have successfully included mothers in the management of this component. During the first two years, project implementation was delayed by problems in distribution programming and poor coordinating capacity of the Ministry of Health in executing the complementary activities of the project. The achievements of the training and credit component (executed by UNDP Local Human Development Programmes (PDHL)) are modest (1,000 women and 670 men were trained and 304 families were given credit) and the beneficiaries of the housing component (executed by UNDP/HABITAT) totalled only 2,700.

Food coupons (Honduras 4371)

43. The project assists the Government in co-financing the food coupon scheme through PRAF. Of the total cost, WFP contributes 10.9 million dollars (generated from monetization of WFP commodities), and the counterpart of the Government of Honduras is 17 million dollars. Of WFP resources, 91 percent are distributed as food coupons in schools, coupons for women household heads (BMJF) and health centres (BMI). The balance of the resources is used to set up a revolving credit fund for productive activities and to improve the infrastructure of pre-school centres.
44. Using WFP resources, PRAF has distributed 1,041,000 BMJF (72 percent of the target), benefiting 178,262 schoolchildren and mothers (123 percent of target). The income transfer per beneficiary was reduced by 42 percent because of a similar reduction in the number of coupons delivered (5.8 coupons per beneficiary per year as against the planned 10, or 116 lempira versus the planned 200 lempira). Similarly, 1,248,000 coupons for mother and child care (BMI) (67 percent of the target) were distributed, benefiting 145,181 expectant and nursing mothers (93 percent of the target). Transfers per beneficiary were reduced also in this case, by 28 percent (from 240 lempira to 192 lempira per beneficiary per year), while the number of coupons was reduced by 36 percent (8.6 coupons per beneficiary per year, as against the planned 12). Moreover, in both cases, inflation reduced the actual value of the coupons. Irregular WFP shipments adversely affected coupon distribution targets.
45. The effectiveness and impact of the school feeding project (BMJF) compared to coupons distributed through health centres (BMI) and direct food distribution were recently evaluated and discussed. The following emerged: a) BMJF has been more cost-effective and has more impact on school attendance than the school lunches. However, it has had no nutritional impact and has not affected school repetition rates; and b) BMI did not increase the frequency of visits to health centres and has had little nutritional impact. WFP support to the PRAF coupon programme ended in 1996 and will not be extended.
46. The revolving fund component virtually did not take off (it benefits only 196 persons). Resources for training, under the responsibility of the Government, were assigned after a two-year delay. Similarly, day-care centres, designed to help women participate in the training programmes, have not been implemented.

Generation of short-term employment (Honduras 4899)

47. The objective of the project was to lessen the effects of the adjustment programme on the most vulnerable populations. Resources (9 million dollars from the Government and 1.98 million dollars from WFP) were to be transferred through a programme promoting employment and linked to the construction of basic services infrastructure.



48. It is difficult to assess the benefits and beneficiaries of the project. The initial employment parameters were changed in some cases and instead of individuals, family groups were employed, and accounted for in project indicators. Problems in project design (for instance, the condition that only unskilled labourers be employed) limited total WFP contributions to five to seven percent of the cost of the works undertaken. The search for additional resources caused delays in project implementation, further delayed by non-arrival of food for monetization. Consequently, the contribution for the first year of project activities was reduced by approximately 50 percent (from 1.98 million dollars to 910,000 dollars). Targets were reformulated and the project was extended for a two-year period. In addition, the project was negatively affected by management delays, and slowness in delivery of counterpart resources from the Government.

MAIN RESULTS OF ACTIVITIES AND LESSONS LEARNED

49. Overall, the implementation of activities has been irregular and efficiency is difficult to measure. Although it is true that targets for certain projects (beneficiaries in projects No. 4371 and 4988) have been exceeded, this is only because of extensions in time which in some cases even tripled the planned implementation period (No. 4899), and because of significant transfer reductions. In the case of project No. 4371, more beneficiaries, fewer coupons and less transfer per beneficiary was a result.
50. The main constraints were limited coordination and implementation capacity in the public sector, as well as lack of counterpart resources. Coordination problems for project No. 3926 were frequent and difficult to solve. It is difficult to assess to what extent counterpart contributions to the projects were met because of the lack of available information and, at times, inadequate initial quantification. Delivery of food and coupons was irregular because of delays in WFP shipments.
51. The weakness in monitoring and evaluation (M&E) systems is an important factor even in projects with sufficient resources for funding the design, training and setting up of systems (No. 2523). Available reports are generally incomplete, irregular and are not always in line with requirements as defined in the project documents. Little quantitative or qualitative information is available on the general and/or nutritional impact of the activities. At the same time, government agencies in some projects did not collect gender-disaggregated information in order to assess and monitor project benefits and participation of women and men.
52. The participation of experienced NGOs often compensated for weak implementation by the public sector, and increased the coverage and efficiency of activities (No. 3926) and care for infant populations (No. 2523). Sustainability, impact and coverage improved when WFP integrated and coordinated efforts with other agencies and projects (EDUCATODOS/USAID and FHIS/World bank) and when community-based organizations (CODEMs) were incorporated into the implementation activities of the project.
53. Targeting of projects has generally been adequate. Initial problems in some projects were corrected during implementation (No. 2523 (Exp.1)). The employment-generation project (No. 4899) was implemented initially in some non-priority departments, but included priority ethnic groups. The food-for-work projects had a relatively wide geographical dispersion. However, these activities were basically self-targeted.



54. The participation of women has been important for all activities. Women have benefited from employment generated in the forestry component and from the opportunity to complete their primary education and work in the adult education component (Project No. 3926). Similarly, women and their children have benefited from sanitation and nutrition assistance projects (No. 2523 (Exp.1)) and food coupons (No. 4371). Nevertheless, it is necessary to measure gender gaps in project benefits and to collect disaggregated data to assess the real impact of projects on women and men. Progress is being achieved in this regard, as in the formulation and preparation of the plan of operations for the new project, No. 5609, which was organized with government counterparts using a participatory approach with a gender perspective.
55. Problems in project design and execution have affected results and sustainability. Project design has sometimes been very complex (No. 3926) with unrealistic targets which were difficult to achieve and evaluate. Moreover, targets of projects designed before the onset of the structural adjustment programme (No. 3926 and 2523 (Exp.1)) were not adjusted in time to the new fiscal realities. Credit components were affected by the lack of resources for both prior training of beneficiaries and operating the credit scheme.
56. Therefore, the sustainability of activities has been very varied. The adult education component and investment in infrastructure (No. 3926), carried out in response to identified needs of the communities, are highly sustainable. The food coupon project, on the other hand, has a low level of sustainability because of significant reductions in transfers, and lack of resources for training and for financing complementary productive activities.
57. Activities have been cost-effective. Assets created proved to be a sound investment. Monetary transfers to beneficiaries, through PRAF and FHIS, were at no cost to WFP.
58. Activities have not affected local markets nor displaced internal purchases at the local level: a) the volume of imported maize, beans and rice has been of little significance in relation to national production (one percent, 1990-95); b) food distribution has benefited vulnerable groups with very low purchasing power; c) coupons (BMJF and BMI) have increased the purchasing capacity of beneficiaries with positive results on the market; and d) wheat, the only monetized product, is not produced in the country.
59. The monetization process has been satisfactory. The average selling price during the period analysed (1991-95) was equivalent to 101 percent of the c.i.f. value, but lower than the local market value (97 percent). Financial management of generated funds has been adequate. Delays in food delivery and lack of timely information on shipments and quality have adversely affected the volume of income generated (resulting in lower selling prices than those of the local market).

FUTURE ORIENTATION OF WFP ASSISTANCE

Strategy proposal

60. A major consideration in determining a strategy for future orientation of WFP assistance in Honduras is the low capacity of government agencies to implement development projects with food aid. This calls for activities to be increasingly executed by local governments and communities, in partnership with NGOs and other local development entities on the basis of locally developed needs assessment exercises. The following strategy is based on



Government priorities and the past experiences of WFP-assisted projects in Honduras, as well as on WFP's mandate. The main objective of the strategy during the five-year planning period is to achieve a significant reduction in extreme poverty and food insecurity of the poorest families in priority areas of the country.

61. The programme intervention will focus on households, since they are the social and economic units within which resources are managed and allocated to satisfy the food needs of the most vulnerable household members. Food aid will enhance household food security, nutrition and income generation through the functions outlined below.
62. Food aid will provide the needed nourishment to vulnerable groups that are nutritionally at risk. Project activities will provide high-protein food to mitigate protein and micronutrient deficiencies in children under five years old, expectant and nursing mothers, and women heads of household. Food aid will also act as income transfer and food rations will be controlled by female members of the households.
63. At another level, food-for-work schemes will be utilized as a catalyst to manage and conserve natural resources, improve community infrastructure and recover productive resources. These activities will have direct impact on the quality of life by improving health, stimulating the local economy and facilitating access. Activities related to soil and water conservation will assist in the recovery and rehabilitation of the community's productive base, which in the long term will increase its stability and resiliency.
64. WFP operations will concentrate on the poorest and most food insecure areas of the country. These will be defined using the FHIS Poverty Map (1993) and the Census on Measurements of Schoolchildren in First Grade (1995). Other elements considered are: community and municipal organizations with participatory management schemes (CODEMs) and the level of assistance received by communities (participation of other donors and/or food aid programmes in the area). Activities will be concentrated in the rural communities of Lempira, Intibucá, La Paz, El Paraíso, Valle, Choluteca, Copán, Ocotepeque, southern Santa Bárbara, Francisco Morazán and Gracias a Dios. In Lempira, Intibucá and La Paz, activities will centre around communities with a low concentration of donors or food aid projects.
65. The target population for WFP assistance will be the rural poor. Direct beneficiaries include small rural producers (with less than three hectares of land) and their families as well as women heads of household and their children. Identified as especially vulnerable among family members are expectant and nursing mothers and children under five.
66. The strategy will encourage participatory approaches as well as an equal distribution of benefits among men and women. Specific gender indicators will be utilized to measure project targets and benefits. The programme will avoid setting up segregated projects which tend to marginalize women from mainstream development.
67. Future activities will encourage human development and rehabilitation of productive resources as follows:
 - a) Health and nutrition. Initiatives and interventions are aimed at improving the health and nutritional conditions of the most vulnerable population - with priority given to women heads of household - by enhancing their access to health services and household food security; this is in line with the Government's decentralization, food security and nutrition policy. Training in preventive health and nutrition will also be given and a system for nutritional awareness will be set up. The activities and the municipal health decentralization process will be covered by project Honduras 5691 in coordination with the Access Programme of the Ministry of Health and



cooperation from the Government of Sweden, UNICEF, the Pan-American Health Organization (PAHO) and USAID. Implementation will be the joint responsibility of the Ministry of Health and NGOs, with the active participation of CODEMs and technical cooperation with UNICEF and UNFPA.

- b) Natural resources, soil, water conservation and forestry development. Activities are directed towards recovering and conserving natural resources, sustainable agricultural development and protection of water sources (agroforestry and family fuelwood and wood plantations, nurseries, management of natural forests, and training). The basis for these activities will be the recently-approved Participatory forest management (1997-2001) project No 5609. The objective of the project is to increase family income and food security for approximately 17,055 people (including indigenous groups) in 262 villages. The Honduras Forestry Development Corporation (COHDEFOR) will be responsible for implementation. Coordination for forestry activity will be under a Consultative Group made up of government and donor representatives. Participatory approaches and gender analysis are being implemented from the beginning of the project cycle.
- c) Education. Activities will include literacy and adult education programmes to be implemented in conjunction with voluntary educators and using mass media such as radio programmes; this is particularly for the benefit of women with no other means of access to education services. Implementation of these activities is the responsibility of the Ministry of Education, Municipalities, NGOs and CODEMs. Support will continue to be given to the USAID Basic Education programme and to activities seeking to reinforce local education services. In addition, activities will be coordinated with the SEP/World Bank programme.

Operational modalities and programme requirements

- 68. Beneficiaries will participate actively in all stages of the programme from project formulation through evaluation of the results, in order to ensure the sustainability of activities. Activities undertaken by the projects will strengthen community management capacity, helping to incorporate women into the community decision-making process as well as ensuring equity in the distribution of benefits. The participation of women (individually or in groups) will be an important requirement for approving investments to be made in communities.
- 69. Active incorporation of communities into decision-making and activity selection process will bring about important changes in operational procedures. Thus, once priority communities have been identified, community development organizations will participate in carrying out assessments at the municipal level. Community needs will be defined using participatory methods and will be set out as part of project activities. Management, sustainability of activities and "ownership" by beneficiaries will be strengthened through the use of participatory methodologies in the decision-making and management stages as well as by partial funding requests from the beneficiary communities (inputs, transport, handling of food etc.).
- 70. Local development and strengthening of municipalities will concentrate on ways of strengthening local/community development organizations (such as CODEMs and Community Development Associations (CODECOs)) in areas where WFP-assisted activities are being implemented. The CODEMs, which have been developed within the framework of decentralization, are the basis for the development of municipal-level development plans. Currently, 210 municipalities out of a total of 293 have developed local



development plans. WFP will support the participation of women in the CODEMs as decision-making leaders. Training will include administrative management, leadership, practice in municipal development and community organization. Such training would be coordinated with, and would support activities carried out by UNICEF and USAID/Municipal Development Fund (FUNDEMUN), among others. Support will also be given to successful activities carried out by the National Association for Ecological Agriculture (28 NGO members), National Committee for Terrace Agriculture (CONASEL) (15 public and private institutions) and Private Volunteer Organizations (PVOs) (Save the Children, Catholic Relief Services, World Vision and International Fund for Community Assistance (FINCA)) and CODEMs.

71. The participation of NGOs in the implementation of WFP-assisted activities will be decided on the basis of specific criteria which will include, among others, proven implementation capacity, acceptance of strict participation commitments, and proven capabilities in gender analysis and planning. Municipalities should have a minimum level of management and administrative capacity (particularly training in municipal strengthening programmes). Strategic alliances with other donors and technical cooperation organisms are needed in order to supplement resources and improve the general efficiency of activities undertaken. The lack of financial resources affecting some government institutions, NGOs and municipalities means that WFP should consider very carefully whether to contribute to transport and food handling costs.
72. Food-for-work programmes should preferably be implemented in times of shortage (approximately March to August in western areas and February to July in the south). The impact of food aid on the local market (maize and beans) should be carefully assessed. The purchase of local commodities will be pursued, as it can have positive implications for local food production and market development.
73. The Social Welfare Board (JNBS) will continue to be responsible for logistics and food handling (Puerto Cortés-San Pedro Sula). At the same time, in order to consolidate its role, JNBS should find ways of: a) gathering data in a systematic and automated manner; b) imparting more food handling and administration training to its staff; and c) expanding investment in transport equipment. There are important economies of scale in food logistics, so JNBS should not break up into separate institutions working in parallel. In order to reduce costs, WFP should improve the logistics and the flow of information relating to shipments.
74. Monetization of part of WFP commodities will only be considered to provide essential complementary inputs which are not feasible to obtain from other sources or as direct support costs. Wheat is the only commodity which can be monetized on a large scale without negative effects on the internal market. Participation of the Ministry of Finance and Budget (SHCP) should continue in order to guarantee the transparency which has existed in the monetization process to date. To improve the process, certain problems need to be resolved, such as shipment dates and timeliness of information (date of arrival of shipment, price, specifications and product quality).
75. The M&E system is vital not only for tracking the achievement of project targets and activities, but also to determine the overall impact and efficiency of food aid, and the achievement of the main objectives of the strategy. Information systems currently in use should be standardized and made automatic in order to have immediate and timely access to information. Indicators will be formulated for each project or strategic implementation area; specifically, systems should be modified in order to evaluate the nutritional impact of activities and check whether gender-related objectives have been achieved. This would be



complemented by strict administrative controls to ensure that food and financial resources have been used adequately.

Coordination

76. Coordination and implementation of future activities will be conducted at two levels. On a centralized level, a coordinating unit will be set up with representatives from the relevant line ministries (Planning, Health, Education and Natural Resources), with the participation of WFP, and one representative of local governments and municipalities. Municipal Development Committees will share responsibility for coordinating activities at the local level.
77. WFP will coordinate and harmonize the Country Programme with other United Nations and donor institutions. The current UNDP programme (Fifth Programme Cycle) ended on 31 December 1996, but will “roll” into 1997 and the Sixth Programme Cycle is expected to include the period 1998 to 2002, including triennial programming and annual revisions. UNDP is currently conducting a common Country Assessment exercise in cooperation with other United Nations agencies. This process should lead to the formulation of a Country Strategy Note for Honduras later in 1997.
78. The WFP programme period, 1988-2002, coincides with UNDP’s Sixth Programme Cycle and the next governmental development planning period (1998-2002). The issue of how to harmonize WFP’s programming with that of other agencies with different programming cycles, such as UNICEF (1996-2000) and UNFPA (1996-1999), has not yet been resolved.

Resources

79. Total food aid needs for the planning period 1998-2002 have been estimated at 30.9 million dollars. Of this amount, 9.5 million dollars would be available as core resources from WFP. The balance of 21.4 million dollars will be programmed taking into consideration the availability of resources to WFP, donor interest in funding activities included in the Country Programme and priorities in the allocation of resources to LIFDCs, as recommended by the Executive Board. Activities in the development of human resources will absorb 71 percent of resources (health 45 percent and education 26 percent), and the balance, will be dedicated to productive activities (natural resources and local development).

KEY ISSUES AND RISKS

80. In spite of government efforts to redefine and update the Food Security Plan, to date no clear policy decisions have been taken on food aid, nor have guidelines been established on what actions should be taken and how food aid should be organized. A national strategic framework, in which to effectively insert food aid activities supported by WFP and other donors, is missing. To this end, efforts will be made to open up a forum with the agencies involved in food security (such as CARE, the European Union, FAO, UNDP, WHO, etc.), the Government and other actors involved in order to widen the debate on inter-agency coordination of food security and food aid.
81. Much still remains to be done in the process under way for the restructuring of the public sector. Until this is achieved, there are evident problems, such as institutional weaknesses, lack of institutional role definition and insufficient counterpart resources. Among the



salient aspects are: a) the uncertain role of the Planning Ministry (SECPLAN), the institution responsible for coordinating food aid in Honduras; and b) the fact that progress in the decentralization process is slower than anticipated, which results, for example, in delays in improving the management capacity of municipalities, and the structure and training capacity of the Municipal Development Councils.



ANNEX

SELECTED INDICATORS		
	1991	1994
Overall poverty (percent)	75	67
- needy	54	47
- urban	47	40
- rural	60	53
Overall sub-employment (percent)	36	26
- men	35	25
- women	39	27
Minimum wages (lempiras)		
- daily wage	3.24	2.98
- farming	2.11	2.35
- average monthly income	211	259
- cost monthly food basket	189	181
Social expenditure (1995)		
- total (million lempiras)	1 702	2 252
- as percent of GDP	7	8
- per capita (dollars)	46	47

BASIC CEREALS						
Internal cereal supply (1 000 tons)	1990	1991	1992	1993	1994	1995
Rice	43 349	82 456	37 562	24 590	54 534	66 253
Maize	295 65	316 486	302 173	312 722	273 336	354 216
Beans	52 732					
Wheat	91 296					
Total of which:	483 033	624 346	523 213	554 906	484 333	660 516
commercial						
imports -	79 923	176 090	54 240	221 615	249 415	309 180
donations -	89 174					
Availability per capita (kg/yr)	1980-84	1985-89	1990-95			
Rice	9.1	9.2	10.			
Maize	72.2	60.4	59.9			
Beans	7.6	7.7	11.6			
Wheat	20.3	23.8	25.3			
Total	109.2	101.1	106.8			

